

DIRECT TESTIMONY AND EXHIBITS OF

ANTHONY D. BRISENO

ON BEHALF OF

THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF

DOCKET NO. 2020-1-E

IN RE: ANNUAL REVIEW OF BASE RATES FOR FUEL COSTS OF

DUKE ENERGY PROGRESS, LLC

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.

A. My name is Anthony D. Briseno. My business address is 1401 Main Street, Suite 900, Columbia, South Carolina 29201. I am employed by the State of South Carolina as a Senior Auditor for the Office of Regulatory Staff (“ORS”).

Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A. I received my Bachelor of Science in Business Administration in Accounting from Coastal Carolina University in August 2014. I received my Master of Accountancy Degree from Coastal Carolina University in August 2015. I also received a Graduate Certificate for completion of the Fraud Examination Program at Coastal Carolina University in August 2015. I began my employment as an Auditor with ORS in October 2016 and was promoted to Senior Auditor in August of 2019. I have participated in various cases involving the regulation of electric, gas, water and wastewater utilities.

Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA (“COMMISSION”)?

A. Yes. I have previously testified before the Commission.

Q. WHAT IS THE MISSION OF THE OFFICE OF REGULATORY STAFF?

A. ORS represents the public interest as defined by the South Carolina General Assembly as:

[T]he concerns of the using and consuming public with respect to public utility services, regardless of the class of customer, and preservation of continued investment in and maintenance of utility facilities so as to provide reliable and high-quality utility services.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. The purpose of my testimony is to present the results of ORS's examination of the books and records pertaining to Duke Energy Progress, LLC's ("DEP" or "Company") operations under the Fuel Adjustment Clause ("FAC"). The current fuel examination covered the actual period of March 1, 2019 through February 29, 2020 ("Actual Period"). For Commission consideration, ORS has included the estimated, unaudited four (4) months from March 1, 2020 through June 30, 2020 ("Estimated Period").

Q. WHAT WAS THE PURPOSE OF ORS's EXAMINATION?

A. The purpose of ORS's examination was to determine if the Company's accounting practices in computing and applying the monthly FAC complied with South Carolina ("S.C.") Code Ann. §§ 58-27-865, 58-39-130, 58-39-140, 58-40-20, and prior Commission orders.

Q. WAS THE REVIEW PERFORMED BY YOU OR UNDER YOUR SUPERVISION?

A. Yes. The review to which I testify was performed by me or under my supervision.

Q. WHAT WAS THE SCOPE OF ORS's EXAMINATION?

A. ORS examined and verified the monthly calculations and the (over)/under-recovery balances recorded in the Company's books and records for base fuel costs, environmental

costs, capacity costs, Distributed Energy Resource Program (“DERP”) incremental costs, and DERP avoided costs for the Actual Period. ORS verified these monthly calculations and (over)/under-recovery balances to the Company’s monthly fuel reports and the Company’s testimony and exhibits filed in this docket. ORS’s examination consisted of the following:

1. Analyzing the Fuel Stock Accounts

ORS’s analysis of the fuel stock accounts consisted of verifying receipts to and issuances from the fuel management system to the general ledger, examining monthly fuel charges originating in the fuel stock accounts, and ensuring that only proper charges were entered in the Company’s computation of fuel costs for purposes of adjusting the base fuel factor.

2. Sampling Receipts to the Fuel Stock Accounts

ORS’s review of receipts to the fuel stock accounts consisted of examining and testing transactions in coal and natural gas that support additions to the accounts during the Actual Period. Each coal transaction sampled was examined and tested for mathematical accuracy and vouched to a commodity received report, corresponding waybill or truck bill, supplier invoice, base cost report, freight invoice, and transportation cost report. Coal transactions were then verified to fuel management system payment vouchers to verify payments of the correct amounts to the vendors. ORS sampled natural gas transactions and examined them for mathematical accuracy and verified them to third party invoices and bank statements to verify payments of the correct amounts to the vendors.

3. Verifying Coal, Oil, and Natural Gas Expenses

1 ORS verified the amounts of coal, oil and natural gas consumed for electric generation
2 for each month of the Actual Period by reviewing inventory control reports, general
3 ledger accounts, and calculation worksheets. Biogas was included in the cost of natural
4 gas expenses reviewed by ORS. ORS verified biogas calculations for each month in
5 the Actual Period by using the kilowatt-hours (“kWh”) attributable to biogas at the
6 generation facility multiplied by the Commission-approved Avoided Fuel-Only rate
7 from Docket No. 1995-1192-E.

8 4. Verifying Charges to Nuclear Fuel Expenses

9 ORS verified the amounts of nuclear fuel expenses to the Company’s books and records
10 for the Actual Period. In addition, these amounts were verified to the Company’s
11 nuclear fuel burned amortization schedules. ORS recalculated the Company’s nuclear
12 fuel burned amortization schedules to verify mathematical accuracy.

13 5. Verifying Purchased Power and Power Sales

14 ORS verified the Company’s purchased and interchange power fuel cost, megawatt-
15 hour (“MWh”) purchases, and MWh sales for the Actual Period to the Company’s
16 intersystem purchase and sales transaction reports and monthly invoices, on a sample
17 basis. The purchases sampled were also verified to proof of payment information to
18 ensure payments to vendors were accurate and agreed to the invoices received by the
19 Company. This verification included reviewing intercompany power transactions
20 related to the Joint Dispatch Agreement (“JDA”) between the Company and Duke
21 Energy Carolinas, LLC (“DEC”).

22 ORS recomputed the Company’s sales and purchases for the Actual Period. The
23 purchased and interchange power amounts for the Actual Period and the resultant

(over)/under-recovery monthly deferred fuel amounts for the Actual Period reflect calculations that conform to S.C. Code Ann. § 58-27-865. Subsection (A)(2)(b) of this statute states that the total delivered cost of economy purchases, including, but not limited to, transmission charges, are included in purchased power costs if those purchases are “less than the purchasing utility’s avoided variable costs for the generation of an equivalent quantity of electric power.” As such, ORS verified that the economic purchases were recorded at, or less than, the Company’s applicable avoided costs.

ORS sampled and tested power sales transactions for mathematical accuracy and verified these transactions to the invoices issued by the Company to third parties. ORS sampled various hours of the power sales transactions to verify the accuracy of the generation cost being assigned to the sale within the sampled hour by the Company.

6. Verifying kWh Sales

ORS verified total system kWh sales to the Company’s billed revenue reports and fuel and environmental rate revenue reports for the Actual Period. ORS recalculated and verified the Net Energy Metering (“NEM”) solar kWh generation reported on the NEM cost reports. Total system kWh sales, S.C. retail kWh sales, and NEM solar kWh generation were used in the computations of the (over)/under-recovery of base fuel costs, environmental costs, capacity costs, and DERP avoided costs.

7. Recalculating the Fuel Adjustment Factors and Verifying the (Over)/Under-Recovery of Base Fuel Costs

ORS recalculated the fuel costs for the Actual Period utilizing information obtained from the Company’s books and records and verified the recalculated costs to the

Company's monthly fuel reports. In recalculating the monthly fuel costs, ORS divided adjusted system fuel costs by adjusted system kWh sales to arrive at fuel costs per kWh sold. The fuel costs per kWh sold were then multiplied by the adjusted S.C. retail kWh sales to determine the S.C. retail base fuel costs. The S.C. retail base fuel costs billed to S.C. retail customers were compared to the S.C. retail base fuel costs to compute the deferred fuel entry - (over)/under-recovery for each month of the Actual Period. The (over)/under-recovery for each month in the Actual Period was verified to the Company's monthly fuel reports. ORS also recalculated the Company's calculations for the Estimated Period to ensure accuracy.

8. Recalculating the Environmental Costs and Verifying the (Over)/Under-Recovery of Environmental Costs

Per S.C. Code Ann. § 58-27-865(A)(1),

'fuel cost' also shall include the following variable environmental costs: (a) the cost of ammonia, lime, limestone, urea, dibasic acid and catalysts consumed in reducing or treating emissions, and (b) the cost of emission allowances, as used, including allowance for SO₂, NO_x, mercury, and particulates.

S.C. Code Ann. § 58-27-865(A)(1) also states that, "[a]ll variable environmental costs included in fuel costs shall be recovered from each class of customers as a separate environmental component of the overall fuel factor."

ORS verified the reagent expenses, emission allowances expensed, emission allowances sold, and environmental costs recovered through power sales for the Actual Period. The primary reagent expenses reviewed for the purpose of this examination include lime/limestone, magnesium hydroxide, calcium carbonate, ammonia, urea, and MerControl 8034 Plus. ORS sampled and verified that reagents purchased during the

Actual Period agreed to base cost reports, transportation cost reports, and vouchers for payment. These reagents are used to reduce the emissions produced by the Company's power generation facilities during the production of electricity.

The emission allowances reviewed for the purposes of this examination include Sulfur Dioxide ("SO₂") and Nitrogen Oxide ("NO_x") emission allowances. ORS recalculated the SO₂ and NO_x emission allowances expensed for the Actual Period as included in the Company's books and records. Emission allowances sold during the Actual Period were agreed to the transaction agreements and ORS ensured any gains/net proceeds were used to offset the environmental costs of this component per S.C. Code Ann. § 58-27-865. Subsection (A)(1) of this statute requires that "fuel costs must be reduced by the net proceeds of any sales of emission allowances by the utility."

ORS verified the calculations of environmental costs recovered through off-system sales that reduced environmental costs for each month of the Actual Period, to arrive at the net environmental costs. ORS then used the S.C. retail kWh sales divided by the total system kWh sales excluding off-system sales to determine the S.C. allocation factor to apply to the net environmental costs. The environmental costs billed to S.C. retail customers were compared to the S.C. portion of environmental costs to compute the (over)/under-recovery for each month of the Actual Period. The (over)/under-recovery for each month in the Actual Period was verified to the Company's monthly fuel reports. ORS also recalculated the Company's calculations for the Estimated Period to ensure accuracy.

9. Recalculating the Capacity Costs and Verifying the (Over)/Under-Recovery of Capacity Costs

1 ORS verified the purchased power capacity costs to the Company's monthly fuel
2 reports for the Public Utility Regulatory Policy Act of 1978 ("PURPA") purchases.
3 This verification included the review of schedules detailing the breakdown of capacity
4 costs and energy costs for power purchases in the Actual Period. Natural gas capacity
5 costs were agreed to the Company's books and records for each month of the Actual
6 Period. Per S.C. Code Ann. § 58-27-865(A)(1),

7 if capacity costs are permitted to be recovered through the fuel factor, such
8 costs shall be allocated and recovered from customers under a separate
9 capacity component of the overall fuel factor based on the same method that
10 is used by the utility to allocate and recover variable environmental costs.
11

12 ORS then used the S.C. retail kWh sales divided by the total system kWh sales
13 excluding off-system sales to determine the S.C. allocation factor to apply to the
14 capacity costs. The capacity costs billed to S.C. retail customers were compared to the
15 S.C. portion of capacity expenses to compute the (over)/under-recovery for each month
16 of the Actual Period. The (over)/under-recovery for each month in the Actual Period
17 was verified to the Company's monthly fuel reports. ORS also recalculated the
18 Company's calculations for the Estimated Period to ensure accuracy.

19 10. Recalculating the DERP Incremental Costs and Verifying the (Over)/Under-Recovery
20 of DERP Incremental Costs

21 Per S.C. Code Ann. § 58-27-865(A)(1),

22 the incremental and avoided costs of distributed energy resource programs and
23 net metering as authorized and approved under Chapters 39 and 40, Title 58
24 shall be allocated and recovered from customers under a separate distributed
25 energy component of the overall fuel factor that shall be allocated and recovered
26 based on the same method that is used by the utility to allocate and recover
27 variable environmental costs.
28

1 ORS verified the DERP incremental costs to the Company's monthly fuel reports for
2 the Actual Period. This included verifying that general ledger transactions were
3 supported by invoices. ORS recalculated the NEM cost reports provided by the
4 Company for each month of the Actual Period. Additionally, ORS recalculated the
5 NEM solar generation kWh sales and the avoided fuel benefits of S.C. NEM. ORS
6 recalculated the solar rebate amortization schedule and the associated carrying costs.
7 ORS also examined the shared solar program and purchase power agreement ("PPA")
8 expenses that occurred within the Actual Period. The DERP incremental costs billed to
9 S.C. retail customers were compared to the DERP incremental costs to compute the
10 (over)/under-recovery for each month of the Actual Period. The (over)/under-recovery
11 for each month in the Actual Period was verified to the Company's monthly fuel
12 reports. ORS also recalculated the Company's calculations for the Estimated Period to
13 ensure accuracy.

14 11. Recalculating the DERP Avoided Costs and Verifying the (Over)/Under-Recovery of
15 DERP Avoided Costs

16 ORS verified the DERP avoided costs for PPAs to the Company's monthly fuel reports
17 for PURPA Purchases. The verification of PPA and shared solar program costs
18 included the review of schedules detailing the calculations for capacity costs and
19 energy costs for the purchases made within the Actual Period. ORS used the S.C. retail
20 kWh sales divided by the total system kWh sales excluding off-system sales to
21 determine the S.C. allocation factor to apply to the DERP avoided costs. The DERP
22 avoided costs billed to S.C. retail customers were compared to the S.C. portion of
23 DERP avoided costs to compute the (over)/under-recovery for each month of the

Actual Period. The (over)/under-recovery for each month in the Actual Period was verified to the Company's monthly fuel reports. ORS also recalculated the Company's calculations for the Estimated Period to ensure accuracy.

12. Company Adjustments Made in the Actual and Estimated Periods

ORS reviewed and recalculated any adjustments made by the Company for the Actual Period. ORS recalculated any adjustments made by the Company for the Estimated Period and will fully examine those adjustments when they are included in the Actual Period as part of the Company's next FAC review.

Q. PLEASE EXPLAIN THE AUDIT EXHIBITS ATTACHED TO YOUR TESTIMONY.

A. ORS prepared the following audit exhibits based upon ORS's review of the Company's books and records:

AUDIT EXHIBIT ADB-1: TOTAL RECEIVED AND WEIGHTED AVERAGE FUEL COST

This exhibit details the total cost of \$1,017,261,739 for coal, oil, and natural gas (includes biogas) received for each month during the Actual Period. ORS has also computed the weighted average cost of each type of fuel: coal (\$85.85 per ton), oil (\$2.05 per gallon), and natural gas (\$3.93 per thousand cubic feet ("MCF")).

AUDIT EXHIBIT ADB-2: RECEIVED COAL - COST PER TON COMPARISON

This exhibit details the received cost per ton of coal for each month of the Actual Period for DEP, Dominion Energy South Carolina, Inc. ("DESC") and DEC. For comparison purposes, ORS has shown the invoice cost per ton, freight cost per ton, total cost per ton, and the cost per thousand British thermal units ("MBTU") for each company. The coal cost

comparison information used for DESC and DEC have not been audited as part of this docket.

AUDIT EXHIBIT ADB-3: COST OF FUEL BURNED FOR ELECTRIC GENERATION

This exhibit details the per book cost of fuel burned for electric generation for each month of the Actual Period. The cost of burned fuel is broken into four (4) types: coal, oil, natural gas (includes biogas) and nuclear. The burned cost of each type of fuel is shown separately along with its percentage of total burned costs. These costs are used in the computations of base fuel costs.

AUDIT EXHIBIT ADB-4: COST OF FUEL

This exhibit details ORS's computation of the total fuel cost applicable to the base fuel recovery calculation for the Actual Period. There are four (4) components included in this cost and they are as follows:

- (1) Cost of Fuel Burned;
- (2) Fuel Cost of Purchased and Interchange Power;
- (3) Fuel Cost Recovered from Power Sales; and
- (4) Solar Integration Fees

Cost of Fuel Burned – This amount is the total cost of all coal, oil, natural gas, and nuclear fuel burned, detailed by month for the Actual Period, and used in the base fuel costs component computation. A detailed breakdown of coal, oil, natural gas, and nuclear fuel can be seen in Audit Exhibit ADB-3.

Fuel Cost of Purchased and Interchange Power – This amount is the total fuel cost of MWhs purchased from other electric utilities or power marketers detailed by month for the Actual Period.

Fuel Cost Recovered from Power Sales – This amount is the total fuel cost recovery related to MWhs sold to other electric utilities or power marketers detailed by month for the Actual Period. These costs lower the cost of fuel for each month of the Actual Period.

Solar Integration Fees – This amount is the total variable fees paid to the Company from solar generating customers detailed by month for the Actual Period. These fees lower the cost of fuel for each month of the Actual Period.

AUDIT EXHIBIT ADB-5: DETAILS OF THE COMPUTATION OF THE (OVER)/UNDER-RECOVERY OF BASE FUEL COSTS

This exhibit details the (over)/under-recovery of base fuel cost computations by month for the Actual and Estimated Periods. This exhibit also shows the computations of the actual and estimated cumulative (over)/under-recovery balances of base fuel costs and any adjustments for the Actual Period and Estimated Period.

AUDIT EXHIBIT ADB-6: TOTAL ENVIRONMENTAL COSTS

This exhibit details the total environmental costs for the Actual Period by month for magnesium hydroxide, calcium carbonate, emission allowances (expensed and sold), ammonia and urea, lime/limestone, and MerControl 8034 Plus. Additionally, the percentage of total cost is shown for each environmental component for each month in the Actual Period.

AUDIT EXHIBIT ADB-7: DETAILS OF THE COMPUTATION OF THE (OVER)/UNDER-RECOVERY OF ENVIRONMENTAL COSTS

1 This exhibit details the (over)/under-recovery of environmental cost computations by
2 month for the Actual and Estimated Periods for total environmental costs and off-system
3 sales. This exhibit also shows the computation of the actual and estimated cumulative
4 (over)/under-recovery balances of environmental costs for the Actual Period and Estimated
5 Period.

6 **AUDIT EXHIBIT ADB-8: DETAILS OF THE COMPUTATION OF THE**
7 **(OVER)/UNDER-RECOVERY OF CAPACITY COSTS**

8 This exhibit details the (over)/under-recovery of PURPA purchased power avoided
9 capacity costs and natural gas capacity costs by month for the Actual and Estimated
10 Periods. Pursuant to Act 236, which became effective June 2014, the avoided capacity
11 component of PURPA purchased power costs and the natural gas capacity costs, which are
12 permitted to be recovered through the fuel factor, are now allocated and recovered as a
13 separate component of the overall fuel factor in the same manner as environmental costs.
14 This exhibit also shows the computation of the actual and estimated cumulative
15 (over)/under-recovery balances of capacity costs and any adjustments for the Actual Period
16 and Estimated Period.

17 **AUDIT EXHIBIT ADB-9: DETAILS OF THE COMPUTATION OF THE**
18 **(OVER)/UNDER-RECOVERY OF DERP INCREMENTAL COSTS**

19 This exhibit details the (over)/under-recovery of DERP incremental costs by month for the
20 Actual and Estimated Periods. This exhibit also shows the computation of the actual and
21 estimated cumulative (over)/under-recovery balances of DERP incremental costs and any
22 adjustments for the Actual Period and Estimated Period. DERP incremental costs are
23 further explained in the direct testimony of ORS witness Lawyer.

**AUDIT EXHIBIT ADB-10: DETAILS OF THE COMPUTATION OF THE
(OVER)/UNDER-RECOVERY OF DERP AVOIDED COSTS**

This exhibit details the (over)/under-recovery of DERP avoided costs computations by month for the Actual and Estimated Periods. This exhibit also shows the computations of the actual and estimated cumulative (over)/under-recovery balances of DERP avoided costs and any adjustments for the Actual Period and Estimated Period. DERP avoided costs are further explained in the direct testimony of ORS witness Lawyer.

**Q. PLEASE EXPLAIN ORS'S COMPUTATION OF THE CUMULATIVE
(OVER)/UNDER-RECOVERY OF BASE FUEL COSTS IN AUDIT EXHIBIT ADB-
5.**

A. Audit Exhibit ADB-5 provides details of ORS's calculation of the actual cumulative under-recovery balance through February 2020 of \$8,184,897, and the estimated cumulative under-recovery balance through June 2020 of \$3,825,490. Company witness Harrington's testimony (Harrington Exhibit 2, pages 1 through 3) in this docket reports a cumulative base fuel cost under-recovery balance through February 2020 of \$8,184,894 and the estimated cumulative under-recovery balance through June 2020 of \$3,825,487. The variances between ORS and the Company's cumulative ending balances for February 2020 and June 2020 are due to rounding.

**Q. DID THE COMPANY MAKE ANY ADJUSTMENTS DURING EITHER THE
ACTUAL OR ESTIMATED PERIODS FOR THE BASE FUEL COSTS?**

A. Yes. Company witness Harrington explains a base fuel cost adjustment in her direct testimony on pages 15-16. This adjustment is reflected in Audit Exhibit ADB-5 as

adjustment (A). ORS has reviewed and accepts the adjustment made by the Company for base fuel costs.

Q. PLEASE EXPLAIN ORS'S COMPUTATION OF THE CUMULATIVE (OVER)/UNDER-RECOVERY OF ENVIRONMENTAL COSTS IN AUDIT EXHIBIT ADB-7.

A. Audit Exhibit ADB-7 provides details of ORS's calculation of the actual cumulative over-recovery balance through February 2020 of \$86,729 and the estimated cumulative over-recovery balance through June 2020 of \$605,878. Company witness Harrington's testimony (Harrington Exhibit 4, pages 1 through 6) in this docket reports a cumulative environmental cost over-recovery balance through February 2020 of \$86,728 and the estimated cumulative over-recovery balance through June 2020 of \$605,879. The variances between ORS and the Company's cumulative ending balances for February 2020 and June 2020 are due to rounding.

Q. PLEASE EXPLAIN ORS'S COMPUTATION OF THE CUMULATIVE (OVER)/UNDER-RECOVERY OF CAPACITY COSTS IN AUDIT EXHIBIT ADB-8.

A. Audit Exhibit ADB-8 provides details of ORS's calculation of the actual cumulative capacity cost under-recovery balance through February 2020 of \$2,280,575, and the estimated cumulative under-recovery balance through June 2020 of \$2,126,329. Company witness Harrington's testimony (Harrington Exhibit 7, pages 1 through 6) in this docket reports a cumulative under-recovery balance through February 2020 of \$2,280,576 and the estimated cumulative under-recovery balance through June 2020 of \$2,126,331.

The variances between ORS and the Company's cumulative ending balances for February 2020 and June 2020 are due to rounding.

Q. PLEASE EXPLAIN ORS'S COMPUTATION OF THE CUMULATIVE (OVER)/UNDER-RECOVERY OF DERP INCREMENTAL COSTS IN AUDIT EXHIBIT ADB-9.

A. Audit Exhibit ADB-9 provides details of ORS's calculation of the actual cumulative DERP incremental cost under-recovery balance through February 2020 of \$45,022 and the estimated cumulative under-recovery balance through June 2020 of \$245,731. Company witness Harrington's testimony (Harrington Exhibit 9, pages 1 through 2) in this docket reports a cumulative under-recovery balance through February 2020 of \$45,020 and the estimated cumulative under-recovery balance through June 2020 of \$245,727. The variances between ORS and the Company's cumulative ending balances for February 2020 and June 2020 are due to rounding.

Q. DID THE COMPANY MAKE ANY ADJUSTMENTS DURING EITHER THE ACTUAL OR ESTIMATED PERIODS FOR THE DERP INCREMENTAL COSTS?

A. Yes. Company witness Harrington explains an adjustment for DERP incremental costs in her direct testimony on pages 11-12. This adjustment is reflected in Audit Exhibit ADB-9 as adjustment (B). ORS has reviewed and accepts the adjustment made by the Company for DERP incremental costs.

Q. PLEASE EXPLAIN ORS'S COMPUTATION OF THE CUMULATIVE (OVER)/UNDER-RECOVERY OF DERP AVOIDED COSTS IN AUDIT EXHIBIT ADB-10.

A. Audit Exhibit ADB-10 provides details of ORS's calculation of the actual cumulative DERP avoided cost under-recovery balance through February 2020 of \$12,640 and the estimated cumulative under-recovery balance through June 2020 of \$36,576. Company witness Harrington's testimony (Harrington Exhibit 13, pages 1 through 8) in this docket reports a cumulative under-recovery balance through February 2020 of \$12,641 and the estimated cumulative under-recovery balance through June 2020 of \$36,574. The variance between ORS and the Company's cumulative ending balance for February 2020 is due to rounding.

Q. WHAT IS THE RESULT OF ORS'S EXAMINATION?

A. Based on ORS's examination of the Company's books and records, and the Company's operations under the fuel cost recovery mechanism, it is ORS's opinion, that subject to the Company's adjustments the Company's accounting practices are in compliance with S.C. Code Ann. §§ 58-27-865, 58-39-130, 58-39-140, 58-40-20, and prior Commission orders.

Based on ORS's examination, ORS agrees with the following cumulative (over)/under-recovery balances as calculated in DEP witness Harrington's Exhibits:

- February 2020 base fuel cost under-recovery balance of \$8,184,894;
- February 2020 environmental cost component over-recovery of \$86,728;
- February 2020 capacity cost component under-recovery balance of \$2,280,576;
- February 2020 DERP incremental under-recovery balance of \$45,020;
- February 2020 DERP avoided cost under-recovery balance of \$12,641;
- June 2020 estimated base fuel cost under-recovery balance of \$3,825,487;

- 1 • June 2020 estimated environmental cost component over-recovery balance of
2 \$605,879;
3 • June 2020 estimated capacity cost component under-recovery balance of
4 \$2,126,331;
5 • June 2020 estimated DERP incremental cost under-recovery balance of \$245,727;
6 • June 2020 estimated DERP avoided cost under-recovery balance of \$36,574.

7 **Q. WILL YOU UPDATE YOUR DIRECT TESTIMONY BASED ON INFORMATION**
8 **THAT BECOMES AVAILABLE?**

9 **A.** Yes. ORS fully reserves the right to revise its recommendations via supplemental
10 testimony should new information not previously provided by the Company, or other
11 sources, becomes available.

12 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

13 **A.** Yes, it does.

**Office of Regulatory Staff
Total Received and Weighted Average Fuel Cost
Duke Energy Progress, LLC
For Year Ending February 2020
Docket No. 2020-1-E**

<u>Month</u>	<u>Coal</u>		<u>Oil</u>		<u>Natural Gas</u>		<u>Total Received Cost</u>
	<u>Tons</u>	<u>\$</u>	<u>Gal</u>	<u>\$</u>	<u>MCF</u>	<u>\$</u>	<u>\$</u>
Mar-19	426,223	34,636,391	466,344	967,080	12,462,551	54,968,779	90,572,250
Apr-19	454,159	49,137,328	7,489	17,975	11,926,923	48,987,486	98,142,789
May-19	388,552	27,483,079	856,593	1,763,730	8,676,542	37,325,382	66,572,191
Jun-19	393,329	27,860,298	423,854	869,726	12,452,102	49,489,109	78,219,133
Jul-19	405,132	45,405,661	252,247	537,541	14,906,291	53,776,669	99,719,871
Aug-19	381,441	26,700,094	207,636	442,174	15,088,492	53,779,083	80,921,351
Sep-19	372,983	27,149,933	237,087	459,681	14,148,867	51,311,774	78,921,388
Oct-19	328,185	36,631,872	297,511	573,252	13,426,417	51,073,964	88,279,088
Nov-19	436,302	29,675,614	438,379	1,018,193	14,365,409	62,459,057	93,152,864
Dec-19	388,247	27,054,394	1,208,778	2,524,167	13,529,771	57,657,028	87,235,589
Jan-20	343,280	38,199,216	1,600,208	3,148,503	15,282,877	57,180,208	98,527,927
Feb-20	-	735,353	233,215	460,932	15,120,793	55,801,013	56,997,298
Total	4,317,833	\$ 370,669,233	6,229,341	\$ 12,782,954	161,387,035	\$ 633,809,552	\$ 1,017,261,739
Weighted Average Cost		<u>\$ 85.85</u>		<u>\$ 2.05</u>		<u>\$ 3.93</u>	

Office of Regulatory Staff
Received Coal - Cost Per Ton Comparison
Duke Energy Progress, LLC
For Year Ending February 2020
Docket No. 2020-1-E

Duke Energy Progress, LLC					Dominion Energy South Carolina, Inc. ¹				Duke Energy Carolinas, LLC ¹			
Month	Invoice Cost Per Ton \$	Freight Cost Per Ton \$	Total Cost Per Ton \$	Cost Per MBTU \$	Invoice Cost Per Ton \$	Freight Cost Per Ton \$	Total Cost Per Ton \$	Cost Per MBTU \$	Invoice Cost Per Ton \$	Freight Cost Per Ton \$	Total Cost Per Ton \$	Cost Per MBTU \$
Mar-19	56.71	45.23	101.94	4.11	62.96	27.53	90.49	3.62	53.06	27.23	80.29	3.17
Apr-19	58.39	42.24	100.63	4.06	61.91	28.49	90.40	3.60	54.48	48.24	102.72	4.06
May-19	54.39	15.33	69.72	2.81	60.13	25.44	85.57	3.40	56.05	14.02	70.07	2.80
Jun-19	55.53	15.79	71.32	2.83	57.88	25.07	82.95	3.31	54.61	13.72	68.33	2.77
Jul-19	52.55	53.18	105.73	4.19	57.89	23.95	81.84	3.24	51.67	49.87	101.54	4.07
Aug-19	54.32	16.41	70.73	2.79	57.23	24.67	81.90	3.26	51.51	15.50	67.01	2.70
Sep-19	55.49	15.76	71.25	2.83	58.48	26.89	85.37	3.39	52.85	14.48	67.33	2.70
Oct-19	52.99	58.74	111.73	4.44	57.37	36.81	94.18	3.76	53.94	46.93	100.87	4.08
Nov-19	52.21	14.71	66.92	2.65	56.84	39.04	95.88	3.87	49.64	13.76	63.40	2.58
Dec-19	50.31	18.77	69.08	2.71	54.99	28.99	83.98	3.37	49.32	18.84	68.16	2.78
Jan-20	48.47	50.58	99.05	3.99	52.88	29.42	82.30	3.28	52.77	59.32	112.09	4.51
Feb-20	66.56	23.28	89.84	3.64	54.77	33.48	88.25	3.53	54.53	13.03	67.56	2.75

¹ Cost information for Dominion Energy South Carolina, Inc. and Duke Energy Carolinas, LLC has not been audited as part of this docket.

Office of Regulatory Staff
Cost of Fuel Burned for Electric Generation
Duke Energy Progress, LLC
For Year Ending February 2020
Docket No. 2020-1-E

<u>Month</u>	<u>Coal</u>		<u>Oil</u>		<u>Natural Gas</u>		<u>Nuclear</u>		<u>Total Burned Cost</u>
Mar-19	\$ 24,936,974	30.41%	\$ 870,132	1.06%	\$ 43,747,935	53.37%	\$ 12,427,031	15.16%	\$ 81,982,072
Apr-19	\$ 14,006,029	21.97%	\$ 660,148	1.04%	\$ 37,358,101	58.61%	\$ 11,712,815	18.38%	\$ 63,737,093
May-19	\$ 29,369,534	39.40%	\$ 1,274,025	1.71%	\$ 27,273,126	36.59%	\$ 16,627,248	22.30%	\$ 74,543,933
Jun-19	\$ 30,259,340	35.45%	\$ 955,523	1.12%	\$ 38,255,414	44.82%	\$ 15,884,720	18.61%	\$ 85,354,997
Jul-19	\$ 53,113,207	48.28%	\$ (259,839)	-0.24%	\$ 40,495,370	36.80%	\$ 16,677,638	15.16%	\$ 110,026,376
Aug-19	\$ 42,556,977	47.17%	\$ 647,390	0.72%	\$ 32,460,100	35.99%	\$ 14,538,800	16.12%	\$ 90,203,267
Sep-19	\$ 44,662,693	45.37%	\$ 637,882	0.65%	\$ 38,464,365	39.08%	\$ 14,667,915	14.90%	\$ 98,432,855
Oct-19	\$ 26,659,297	34.11%	\$ 941,370	1.20%	\$ 37,244,060	47.65%	\$ 13,313,207	17.04%	\$ 78,157,934
Nov-19	\$ 22,978,808	26.34%	\$ 2,229,918	2.56%	\$ 48,212,476	55.29%	\$ 13,785,144	15.81%	\$ 87,206,346
Dec-19	\$ 24,021,496	28.10%	\$ 1,214,188	1.42%	\$ 44,262,823	51.78%	\$ 15,989,373	18.70%	\$ 85,487,880
Jan-20	\$ 8,590,917	12.29%	\$ 1,648,537	2.36%	\$ 43,647,087	62.45%	\$ 16,002,169	22.90%	\$ 69,888,710
Feb-20	\$ 6,149,834	9.55%	\$ 642,538	0.99%	\$ 42,778,911	66.48%	\$ 14,783,928	22.98%	\$ 64,355,211
Total	\$327,305,106	33.08%	\$ 11,461,812	1.16%	\$ 474,199,768	47.93%	\$176,409,988	17.83%	\$ 989,376,674

Office of Regulatory Staff
Cost of Fuel
Duke Energy Progress, LLC
For Year Ending February 2020
Docket No. 2020-1-E

<u>Month</u>	<u>Cost of Fuel Burned</u>	<u>Fuel Cost of Purchased and Interchange Power</u>	<u>Fuel Cost Recovered from Power Sales</u>	<u>Solar Integration Fees</u>	<u>Total Fuel Costs</u>
Mar-19	\$ 81,982,072	\$ 31,912,619	\$ (9,241,892)	\$ 154	\$ 104,652,953
Apr-19	\$ 63,737,093	\$ 43,853,960	\$ (9,174,191)	\$ (126)	\$ 98,416,736
May-19	\$ 74,543,933	\$ 44,019,226	\$ (4,337,421)	\$ (2,108)	\$ 114,223,630
Jun-19	\$ 85,354,997	\$ 41,687,127	\$ (6,756,025)	\$ (1,115)	\$ 120,284,984
Jul-19	\$ 110,026,376	\$ 38,556,967	\$ (7,492,590)	\$ (845)	\$ 141,089,908
Aug-19	\$ 90,203,267	\$ 45,060,892	\$ (5,406,970)	\$ (1,262)	\$ 129,855,927
Sep-19	\$ 98,432,855	\$ 38,734,922	\$ (17,188,800)	\$ (1,297)	\$ 119,977,680
Oct-19	\$ 78,157,934	\$ 33,170,767	\$ (12,713,793)	\$ (2,034)	\$ 98,612,874
Nov-19	\$ 87,206,346	\$ 31,159,698	\$ (12,461,530)	\$ (124)	\$ 105,904,390
Dec-19	\$ 85,487,880	\$ 26,215,863	\$ (14,680,693)	\$ (186)	\$ 97,022,864
Jan-20	\$ 69,888,710	\$ 25,751,721	\$ (9,279,749)	\$ 531	\$ 86,361,213
Feb-20	\$ 64,355,211	\$ 28,229,072	\$ (10,537,529)	\$ 1	\$ 82,046,755
Total	\$ 989,376,674	\$ 428,352,834	\$ (119,271,183)	\$ (8,411)	\$ 1,298,449,914

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Base Fuel Costs
Duke Energy Progress, LLC
March 2019 - June 2020
Docket No. 2020-1-E

	Actual							
	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019
Total Fuel Costs	\$ 104,652,953	\$ 98,416,736	\$ 114,223,630	\$ 120,284,984	\$ 141,089,908	\$ 129,855,927	\$ 119,977,680	\$ 98,612,874
Add: Avoided Fuel Benefit of SC NEM	\$ 80,204	\$ 61,174	\$ 90,413	\$ 60,957	\$ 94,730	\$ 78,704	\$ 72,751	\$ 89,706
Adjusted System Fuel Costs	\$ 104,733,157	\$ 98,477,910	\$ 114,314,043	\$ 120,345,941	\$ 141,184,638	\$ 129,934,631	\$ 120,050,431	\$ 98,702,580
Total System kWh Sales	4,552,981,616	4,398,167,319	4,868,265,517	5,337,855,747	6,250,791,458	6,164,720,271	5,771,928,238	4,931,283,369
Add: NEM Solar Generation kWh	2,501,687	1,908,116	2,820,137	1,901,372	2,953,297	2,451,233	2,265,688	2,793,713
Adjusted System kWh Sales	4,555,483,303	4,400,075,435	4,871,085,654	5,339,757,119	6,253,744,755	6,167,171,504	5,774,193,926	4,934,077,082
Fuel Costs per kWh Sales	\$ 0.022991	\$ 0.022381	\$ 0.023468	\$ 0.022538	\$ 0.022576	\$ 0.021069	\$ 0.020791	\$ 0.020004
S.C. Retail kWh Sales	416,088,164	511,637,028	470,414,028	504,805,806	600,795,493	614,282,414	590,057,540	529,829,607
Add: NEM Solar Generation kWh	2,501,687	1,908,116	2,820,137	1,901,372	2,953,297	2,451,233	2,265,688	2,793,713
Adjusted S.C. Retail kWh Sales	418,589,851	513,545,144	473,234,165	506,707,178	603,748,790	616,733,647	592,323,228	532,623,320
S.C. Base Fuel Costs	\$ 9,623,619	\$ 11,493,633	\$ 11,105,802	\$ 11,420,023	\$ 13,630,242	\$ 12,993,811	\$ 12,314,906	\$ 10,654,738
Less: Avoided Fuel Benefit of S.C. NEM	\$ (80,204)	\$ (61,174)	\$ (90,413)	\$ (60,957)	\$ (94,730)	\$ (78,704)	\$ (72,751)	\$ (89,706)
Adjusted S.C. Base Fuel Costs	\$ 9,543,415	\$ 11,432,459	\$ 11,015,389	\$ 11,359,066	\$ 13,535,512	\$ 12,915,107	\$ 12,242,155	\$ 10,565,032
S.C. Retail Fuel Costs Collected	\$ 9,846,440	\$ 12,106,254	\$ 11,129,450	\$ 11,943,765	\$ 13,417,294	\$ 12,754,346	\$ 12,242,708	\$ 10,993,040
Less: Fuel Benefits in DERP NEM Incentive	\$ (20,835)	\$ (14,300)	\$ (22,786)	\$ (13,810)	\$ (21,397)	\$ (17,233)	\$ (12,302)	\$ (16,027)
Adjusted S.C. Retail Costs Collected	\$ 9,825,605	\$ 12,091,954	\$ 11,106,664	\$ 11,929,955	\$ 13,395,897	\$ 12,737,113	\$ 12,230,406	\$ 10,977,013
Current Month (Over)/Under Recovery Amount	\$ (282,190)	\$ (659,495)	\$ (91,275)	\$ (570,889)	\$ 139,615	\$ 177,994	\$ 11,749	\$ (411,981)
Cumulative (Over)/Under-Recovery-Prior Month Amount	\$ 13,424,397	\$ 13,142,207	\$ 12,482,712	\$ 12,391,437	\$ 11,820,548	\$ 11,960,163	\$ 12,138,157	\$ 12,149,906
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery	\$ 13,142,207	\$ 12,482,712	\$ 12,391,437	\$ 11,820,548	\$ 11,960,163	\$ 12,138,157	\$ 12,149,906	\$ 11,737,925

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Base Fuel Costs
Duke Energy Progress, LLC
March 2019 - June 2020
Docket No. 2020-1-E

	Actual				Estimated			
	November 2019	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020
Total Fuel Costs	\$ 105,904,390	\$ 97,022,864	\$ 86,361,213	\$ 82,046,755	\$ 90,350,722	\$ 72,598,681	\$ 84,549,200	\$ 106,116,239
Add: Avoided Fuel Benefit of SC NEM	\$ 69,751	\$ 67,411	\$ 92,417	\$ 73,637	\$ 94,744	\$ 112,627	\$ 116,139	\$ 121,530
Adjusted System Fuel Costs	\$ 105,974,141	\$ 97,090,275	\$ 86,453,630	\$ 82,120,392	\$ 90,445,466	\$ 72,711,308	\$ 84,665,339	\$ 106,237,769
Total System kWh Sales	4,401,332,110	5,097,124,966	5,124,599,524	4,868,332,707	4,872,881,427	4,354,211,824	4,477,357,172	5,145,288,296
Add: NEM Solar Generation kWh	2,172,246	2,099,381	2,878,147	2,293,273	2,950,610	3,507,523	3,616,910	3,784,811
Adjusted System kWh Sales	4,403,504,356	5,099,224,347	5,127,477,671	4,870,625,980	4,875,832,037	4,357,719,347	4,480,974,082	5,149,073,107
Fuel Costs per kWh Sales	\$ 0.024066	\$ 0.019040	\$ 0.016861	\$ 0.016860	\$ 0.018550	\$ 0.016686	\$ 0.018894	\$ 0.020632
S.C. Retail kWh Sales	416,114,344	487,513,772	519,996,190	513,641,018	540,694,739	501,963,750	494,663,166	532,361,046
Add: NEM Solar Generation kWh	2,172,246	2,099,381	2,878,147	2,293,273	2,950,610	3,507,523	3,616,910	3,784,811
Adjusted S.C. Retail kWh Sales	418,286,590	489,613,153	522,874,337	515,934,291	543,645,349	505,471,273	498,280,076	536,145,857
S.C. Base Fuel Costs	\$ 10,066,429	\$ 9,322,335	\$ 8,816,106	\$ 8,698,826	\$ 10,084,485	\$ 8,434,109	\$ 9,414,706	\$ 11,061,979
Less: Avoided Fuel Benefit of S.C. NEM	\$ (69,751)	\$ (67,411)	\$ (92,417)	\$ (73,637)	\$ (94,744)	\$ (112,627)	\$ (116,139)	\$ (121,530)
Adjusted S.C. Base Fuel Costs	\$ 9,996,678	\$ 9,254,924	\$ 8,723,689	\$ 8,625,189	\$ 9,989,741	\$ 8,321,482	\$ 9,298,567	\$ 10,940,449
S.C. Retail Fuel Costs Collected	\$ 8,634,225	\$ 10,117,488	\$ 10,791,022	\$ 10,659,190	\$ 11,219,416	\$ 10,415,748	\$ 10,264,261	\$ 11,046,492
Less: Fuel Benefits in DERP NEM Incentive	\$ (11,645)	\$ (9,594)	\$ (16,427)	\$ (11,617)	\$ (7,743)	\$ (9,189)	\$ (9,498)	\$ (9,841)
Adjusted S.C. Retail Costs Collected	\$ 8,622,580	\$ 10,107,894	\$ 10,774,595	\$ 10,647,573	\$ 11,211,673	\$ 10,406,559	\$ 10,254,763	\$ 11,036,651
Current Month (Over)/Under Recovery Amount	\$ 1,374,098	\$ (852,970)	\$ (2,050,906)	\$ (2,022,384)	\$ (1,221,932)	\$ (2,085,077)	\$ (956,196)	\$ (96,202)
Cumulative (Over)/Under-Recovery-Prior Month Amount	\$ 11,737,925	\$ 13,112,023	\$ 12,259,053	\$ 10,208,147	\$ 8,184,897	\$ 6,962,965	\$ 4,877,888	\$ 3,921,692
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ (866) (A)	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery	\$ 13,112,023	\$ 12,259,053	\$ 10,208,147	\$ 8,184,897	\$ 6,962,965	\$ 4,877,888	\$ 3,921,692	\$ 3,825,490

	February 2020	June 2020
Cumulative (Over)/Under-Recovery of the Base Fuel Costs (Audit Exhibit ADB-5)	\$ 8,184,897	\$ 3,825,490
Cumulative (Over)/Under-Recovery of Environmental Costs (Audit Exhibit ADB-7)	\$ (86,729)	\$ (605,878)
Cumulative (Over)/Under-Recovery of Capacity Costs (Audit Exhibit ADB-8)	\$ 2,280,575	\$ 2,126,329
Cumulative (Over)/Under-Recovery of DERP Incremental Costs (Audit Exhibit ADB-9)	\$ 45,022	\$ 245,731
Cumulative (Over)/Under-Recovery of DERP Avoided Costs (Audit Exhibit ADB-10)	\$ 12,640	\$ 36,576
Net Cumulative (Over)/Under-Recovery Balance	\$ 10,436,405	\$ 5,628,248

Office of Regulatory Staff
Total Environmental Costs
Duke Energy Progress, LLC
For Year Ending February 2020
Docket No. 2020-1-E

Month	Magnesium Hydroxide		Calcium Carbonate		Emission Allowances		Ammonia and Urea		Lime/Limestone		MerControl 8034 Plus		Total Environmental Costs
Mar-19	\$ 189,326	14.45%	\$ 65,005	4.95%	\$ 4,557	0.35%	\$ 212,551	16.22%	\$ 839,216	64.03%	\$ -	0.00%	\$ 1,310,655
Apr-19	\$ 91,446	12.22%	\$ 29,053	3.89%	\$ 1,548	0.21%	\$ 183,947	24.58%	\$ 442,222	59.10%	\$ -	0.00%	\$ 748,216
May-19	\$ 174,250	12.04%	\$ 92,981	6.43%	\$ 812	0.06%	\$ 291,745	20.16%	\$ 887,019	61.31%	\$ -	0.00%	\$ 1,446,807
Jun-19	\$ 209,065	14.41%	\$ 111,098	7.66%	\$ 1,641	0.11%	\$ 213,772	14.73%	\$ 915,345	63.09%	\$ -	0.00%	\$ 1,450,921
Jul-19	\$ 285,607	12.97%	\$ 149,329	6.77%	\$ 1,245	0.06%	\$ 389,820	17.70%	\$ 1,376,892	62.50%	\$ -	0.00%	\$ 2,202,893
Aug-19	\$ 262,269	13.48%	\$ 142,890	7.34%	\$ 2,127	0.11%	\$ 287,304	14.77%	\$ 1,251,251	64.30%	\$ -	0.00%	\$ 1,945,841
Sep-19	\$ 295,301	13.82%	\$ 157,818	7.39%	\$ 2,165	0.10%	\$ 336,613	15.76%	\$ 1,344,640	62.93%	\$ -	0.00%	\$ 2,136,537
Oct-19	\$ 110,473	10.40%	\$ 65,530	6.17%	\$ 2,470	0.24%	\$ 252,330	23.75%	\$ 631,450	59.44%	\$ -	0.00%	\$ 1,062,253
Nov-19	\$ 191,006	15.75%	\$ 49,599	4.09%	\$ 1,298	0.11%	\$ 244,038	20.12%	\$ 726,842	59.93%	\$ -	0.00%	\$ 1,212,783
Dec-19	\$ 193,506	9.51%	\$ 66,423	3.26%	\$ 976	0.05%	\$ 285,449	14.04%	\$ 1,488,104	73.14%	\$ -	0.00%	\$ 2,034,458
Jan-20	\$ 83,890	20.17%	\$ 18,850	4.54%	\$ 1,090	0.26%	\$ 36,795	8.84%	\$ 275,342	66.19%	\$ -	0.00%	\$ 415,967
Feb-20	\$ 35,387	13.29%	\$ 15,831	5.95%	\$ 325	0.12%	\$ 35,824	13.45%	\$ 178,923	67.19%	\$ -	0.00%	\$ 266,290
Totals	\$2,121,526	13.07%	\$ 964,407	5.94%	\$ 20,254	0.13%	\$ 2,770,188	17.06%	\$10,357,246	63.80%	\$ -	0.00%	\$ 16,233,621

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Environmental Costs
Duke Energy Progress, LLC
March 2019 - June 2020
Docket No. 2020-1-E

	Actual							
	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019
Total Environmental Costs	\$ 1,310,655	\$ 748,216	\$ 1,446,807	\$ 1,450,921	\$ 2,202,893	\$ 1,945,841	\$ 2,136,537	\$ 1,062,253
Off-System Sales	\$ (71,965)	\$ (39,525)	\$ (47,346)	\$ (63,356)	\$ (108,583)	\$ (46,187)	\$ (239,389)	\$ (144,966)
Net Environmental Costs	\$ 1,238,690	\$ 708,691	\$ 1,399,461	\$ 1,387,565	\$ 2,094,310	\$ 1,899,654	\$ 1,897,148	\$ 917,287
S.C. Retail kWh Sales	416,088,164	511,637,028	470,414,028	504,805,806	600,795,493	614,282,414	590,057,540	529,829,607
Total System kWh Sales Excluding Off-System Sales	4,552,981,616	4,398,167,319	4,868,265,517	5,337,855,747	6,250,791,458	6,164,720,271	5,771,928,238	4,931,283,369
S.C. Allocation Factor	9.14%	11.63%	9.66%	9.46%	9.61%	9.96%	10.22%	10.74%
S.C. Retail Basis of Total Environmental Costs	\$ 113,201	\$ 82,442	\$ 135,228	\$ 131,223	\$ 201,295	\$ 189,291	\$ 193,943	\$ 98,556
Amounts Billed to Retail Customers	\$ 36,417	\$ 33,530	\$ 33,003	\$ 42,417	\$ 131,231	\$ 241,707	\$ 230,821	\$ 202,290
Current Month (Over)/Under-Recovery	\$ 76,784	\$ 48,912	\$ 102,225	\$ 88,806	\$ 70,064	\$ (52,416)	\$ (36,878)	\$ (103,734)
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery-Prior Month	\$ 199,207	\$ 275,991	\$ 324,903	\$ 427,128	\$ 515,934	\$ 585,998	\$ 533,582	\$ 496,704
Cumulative (Over)/Under-Recovery	\$ 275,991	\$ 324,903	\$ 427,128	\$ 515,934	\$ 585,998	\$ 533,582	\$ 496,704	\$ 392,970

	Actual				Estimated			
	November 2019	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020
Total Environmental Costs	\$ 1,212,783	\$ 2,034,458	\$ 415,967	\$ 266,290	\$ 644,501	\$ 468,150	\$ 652,557	\$ 1,505,522
Off-System Sales	\$ (88,200)	\$ (185,305)	\$ (43,169)	\$ (37,009)	\$ (5,408)	\$ (1,122)	\$ (1,483)	\$ (3,366)
Net Environmental Costs	\$ 1,124,583	\$ 1,849,153	\$ 372,798	\$ 229,281	\$ 639,093	\$ 467,028	\$ 651,074	\$ 1,502,156
S.C. Retail kWh Sales	416,114,344	487,513,772	519,996,190	513,641,018	540,694,739	501,963,750	494,663,166	532,361,046
Total System kWh Sales Excluding Off-System Sales	4,401,332,110	5,097,124,966	5,124,599,524	4,868,332,707	4,872,881,427	4,354,211,824	4,477,357,172	5,145,288,296
S.C. Allocation Factor	9.45%	9.56%	10.15%	10.55%	11.10%	11.53%	11.05%	10.35%
S.C. Retail Basis of Total Environmental Costs	\$ 106,321	\$ 176,862	\$ 37,828	\$ 24,191	\$ 70,914	\$ 53,840	\$ 71,931	\$ 155,422
Amounts Billed to Retail Customers	\$ 167,430	\$ 221,095	\$ 220,390	\$ 215,986	\$ 239,802	\$ 196,710	\$ 204,890	\$ 229,854
Current Month (Over)/Under-Recovery Amount	\$ (61,109)	\$ (44,233)	\$ (182,562)	\$ (191,795)	\$ (168,888)	\$ (142,870)	\$ (132,959)	\$ (74,432)
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery-Prior Month	\$ 392,970	\$ 331,861	\$ 287,628	\$ 105,066	\$ (86,729)	\$ (255,617)	\$ (398,487)	\$ (531,446)
Cumulative (Over)/Under-Recovery	\$ 331,861	\$ 287,628	\$ 105,066	\$ (86,729)	\$ (255,617)	\$ (398,487)	\$ (531,446)	\$ (605,878)

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Capacity Costs
Duke Energy Progress, LLC
March 2019 - June 2020
Docket No. 2020-1-E

	Actual							
	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019
PURPA Purchased Power Capacity Costs	\$ 4,340,213	\$ 6,107,055	\$ 7,371,268	\$ 8,143,896	\$ 13,235,011	\$ 13,417,470	\$ 10,180,239	\$ 4,980,037
Natural Gas Capacity Costs	\$ 11,128,452	\$ 11,498,729	\$ 9,930,592	\$ 11,084,777	\$ 13,135,470	\$ 21,206,084	\$ 12,757,184	\$ 13,757,197
Total Costs for the current month	\$ 15,468,665	\$ 17,605,784	\$ 17,301,860	\$ 19,228,673	\$ 26,370,481	\$ 34,623,554	\$ 22,937,423	\$ 18,737,234
S.C. Retail kWh Sales	416,088,164	511,637,028	470,414,028	504,805,806	600,795,493	614,282,414	590,057,540	529,829,607
Total System kWh Sales Excluding Off-System Sales	4,552,981,616	4,398,167,319	4,868,265,517	5,337,855,747	6,250,791,458	6,164,720,271	5,771,928,238	4,931,283,369
S.C. Allocation Factor	9.14%	11.63%	9.66%	9.46%	9.61%	9.96%	10.22%	10.74%
S.C. Share of Capacity Costs	\$ 1,413,652	\$ 2,048,074	\$ 1,671,856	\$ 1,818,473	\$ 2,534,601	\$ 3,450,057	\$ 2,344,865	\$ 2,013,175
Amount Billed to Retail Customers	\$ 1,668,128	\$ 1,568,287	\$ 1,547,269	\$ 1,899,168	\$ 2,118,918	\$ 2,244,098	\$ 2,136,364	\$ 1,871,150
(Over)/Under-Recovery	\$ (254,476)	\$ 479,787	\$ 124,587	\$ (80,695)	\$ 415,683	\$ 1,205,959	\$ 208,501	\$ 142,025
Cumulative (Over)/Under-Recovery - Prior Month	\$ 574,929	\$ 320,453	\$ 800,240	\$ 924,827	\$ 844,132	\$ 1,259,815	\$ 2,465,774	\$ 2,674,275
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery	\$ 320,453	\$ 800,240	\$ 924,827	\$ 844,132	\$ 1,259,815	\$ 2,465,774	\$ 2,674,275	\$ 2,816,300

	Actual				Estimated			
	November 2019	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020
PURPA Purchased Power Capacity Costs	\$ 4,590,651	\$ 3,749,303	\$ 4,804,320	\$ 4,957,093	\$ 6,436,044	\$ 6,669,638	\$ 7,123,718	\$ 6,834,389
Natural Gas Capacity Costs	\$ 14,183,670	\$ 13,304,538	\$ 13,135,135	\$ 12,793,886	\$ 11,291,057	\$ 11,283,918	\$ 11,103,739	\$ 11,366,005
Total Costs for the current month	\$ 18,774,321	\$ 17,053,841	\$ 17,939,455	\$ 17,750,979	\$ 17,727,101	\$ 17,953,556	\$ 18,227,457	\$ 18,200,394
S.C. Retail kWh Sales	416,114,344	487,513,772	519,996,190	513,641,018	540,694,739	501,963,750	494,663,166	532,361,046
Total System kWh Sales Excluding Off-System Sales	4,401,332,110	5,097,124,966	5,124,599,524	4,868,332,707	4,872,881,427	4,354,211,824	4,477,357,172	5,145,288,296
S.C. Allocation Factor	9.45%	9.56%	10.15%	10.55%	11.10%	11.53%	11.05%	10.35%
S.C. Share of Capacity Costs	\$ 1,774,977	\$ 1,631,113	\$ 1,820,327	\$ 1,872,845	\$ 1,966,999	\$ 2,069,727	\$ 2,013,789	\$ 1,883,117
Amount Billed to Retail Customers	\$ 1,548,763	\$ 2,046,691	\$ 2,040,232	\$ 1,999,301	\$ 2,227,232	\$ 1,826,814	\$ 1,900,894	\$ 2,132,938
(Over)/Under-Recovery	\$ 226,214	\$ (415,578)	\$ (219,905)	\$ (126,456)	\$ (260,233)	\$ 242,913	\$ 112,895	\$ (249,821)
Cumulative (Over)/Under-Recovery - Prior Month	\$ 2,816,300	\$ 3,042,514	\$ 2,626,936	\$ 2,407,031	\$ 2,280,575	\$ 2,020,342	\$ 2,263,255	\$ 2,376,150
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery	\$ 3,042,514	\$ 2,626,936	\$ 2,407,031	\$ 2,280,575	\$ 2,020,342	\$ 2,263,255	\$ 2,376,150	\$ 2,126,329

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Details of the Computation of the (Over)/Under-Recovery of Distributed Energy Resource Program Incremental Costs
Duke Energy Progress, LLC
March 2019 - June 2020
Docket No. 2020-1-E

	Actual							
	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019
Purchased Power Agreements	\$ 2,576	\$ 901	\$ 1,904	\$ 3,159	\$ 18,160	\$ 3,885	\$ 20,722	\$ (2,984)
NEM* Incentive	\$ 81,081	\$ 75,075	\$ 96,296	\$ 78,362	\$ 96,993	\$ 86,783	\$ 84,816	\$ 99,386
Solar Rebate Program	\$ 77,317	\$ (177,456)	\$ 43,523	\$ 43,523	\$ 48,729	\$ 45,343	\$ 45,601	\$ 46,382
Carrying Costs on Deferred Amounts	\$ 71,417	\$ 72,521	\$ 73,609	\$ 40,321	\$ 42,605	\$ 43,222	\$ 36,460	\$ 40,516
Shared Solar Program	\$ 315	\$ 1,338	\$ 1,885	\$ 3,593	\$ 6,052	\$ 2,294	\$ 7,638	\$ 3,544
NEM Avoided Capacity	\$ 2,909	\$ 2,220	\$ 3,280	\$ 2,212	\$ 3,431	\$ 2,844	\$ 2,629	\$ 3,241
NEM Meter Costs	\$ 8,455	\$ 8,455	\$ 9,344	\$ 8,708	\$ 9,398	\$ 9,330	\$ 9,325	\$ 9,996
General and Administrative Expenses	\$ 22,856	\$ 13,017	\$ 12,900	\$ 19,784	\$ 19,293	\$ 23,571	\$ 25,751	\$ 29,474
Interest on under-collection due to cap	\$ 37	\$ -	\$ 24	\$ 9	\$ 80	\$ 11	\$ 20	\$ 10
Total Incremental Costs	\$ 266,963	\$ (3,929)	\$ 242,765	\$ 199,671	\$ 244,741	\$ 217,283	\$ 232,962	\$ 229,565
Revenue Collected	\$ 165,840	\$ 165,452	\$ 167,608	\$ 163,843	\$ 197,984	\$ 230,355	\$ 229,909	\$ 241,784
(Over)/Under Recovery	\$ 101,123	\$ (169,381)	\$ 75,157	\$ 35,828	\$ 46,757	\$ (13,072)	\$ 3,053	\$ (12,219)
Cumulative (Over)/Under Recovery- Prior Month	\$ 6,239	\$ 107,362	\$ (62,019)	\$ 13,138	\$ 48,966	\$ 95,723	\$ 82,651	\$ 85,704
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under Recovery	\$ 107,362	\$ (62,019)	\$ 13,138	\$ 48,966	\$ 95,723	\$ 82,651	\$ 85,704	\$ 73,485

	Actual				Estimated			
	November 2019	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020
Purchased Power Agreements	\$ 2,908	\$ 344	\$ 201	\$ 3,056	\$ 3,699	\$ 3,699	\$ 3,699	\$ 3,699
NEM* Incentive	\$ 81,047	\$ 89,164	\$ 102,127	\$ 90,634	\$ 151,954	\$ 152,452	\$ 154,970	\$ 158,717
Solar Rebate Program	\$ 46,382	\$ 46,553	\$ 46,900	\$ 47,121	\$ 47,121	\$ 47,121	\$ 47,121	\$ 47,121
Carrying Costs on Deferred Amounts	\$ 40,645	\$ 40,478	\$ 40,479	\$ 40,501	\$ 40,228	\$ 39,975	\$ 39,721	\$ 39,468
Shared Solar Program	\$ 3,329	\$ 1,008	\$ (475)	\$ 433	\$ 2,650	\$ 2,650	\$ 2,650	\$ 2,650
NEM Avoided Capacity	\$ 2,521	\$ 2,439	\$ 3,339	\$ 2,662	\$ 4,767	\$ 4,780	\$ 4,868	\$ 4,950
NEM Meter Costs	\$ 9,189	\$ 9,903	\$ 10,195	\$ 9,869	\$ 11,118	\$ 11,143	\$ 11,250	\$ 11,512
General and Administrative Expenses	\$ 23,020	\$ 34,408	\$ 23,755	\$ 24,609	\$ 21,834	\$ 21,834	\$ 21,834	\$ 21,834
Interest on under-collection due to cap	\$ 16	\$ 14	\$ 13	\$ 11	\$ 20	\$ 20	\$ 20	\$ 20
Total Incremental Costs	\$ 209,057	\$ 224,311	\$ 226,534	\$ 218,896	\$ 283,391	\$ 283,674	\$ 286,133	\$ 289,971
Revenue Collected	\$ 216,571	\$ 230,240	\$ 231,001	\$ 229,449	\$ 236,474	\$ 235,275	\$ 238,468	\$ 233,050
(Over)/Under Recovery	\$ (7,514)	\$ (5,929)	\$ (4,467)	\$ (10,553)	\$ 46,917	\$ 48,399	\$ 47,665	\$ 56,921
Cumulative (Over)/Under Recovery- Prior Month	\$ 73,485	\$ 65,971	\$ 60,042	\$ 55,575	\$ 45,022	\$ 92,746	\$ 141,145	\$ 188,810
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ 807 (B)	\$ -	\$ -	\$ -
Cumulative (Over)/Under Recovery	\$ 65,971	\$ 60,042	\$ 55,575	\$ 45,022	\$ 92,746	\$ 141,145	\$ 188,810	\$ 245,731

* Net Energy Metering

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Distributed Energy Resource Program Avoided Costs
Duke Energy Progress, LLC
March 2019 - June 2020
Docket No. 2020-1-E

	Actual							
	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019
Purchase Power Agreements	\$ 29,819	\$ 69,401	\$ 69,934	\$ 90,865	\$ 38,115	\$ 27,107	\$ 81,407	\$ 44,713
Shared Solar Program	\$ 537	\$ 3,163	\$ 4,911	\$ 5,837	\$ 5,071	\$ 3,647	\$ 6,679	\$ 6,617
Total Avoided Costs	\$ 30,356	\$ 72,564	\$ 74,845	\$ 96,702	\$ 43,186	\$ 30,754	\$ 88,086	\$ 51,330
S.C. Retail kWh Sales	416,088,164	511,637,028	470,414,028	504,805,806	600,795,493	614,282,414	590,057,540	529,829,607
Total System kWh Sales Excluding Off-System Sales	4,552,981,616	4,398,167,319	4,868,265,517	5,337,855,747	6,250,791,458	6,164,720,271	5,771,928,238	4,931,283,369
S.C. Allocation Factor	9.14%	11.63%	9.66%	9.46%	9.61%	9.96%	10.22%	10.74%
S.C. Share of Avoided Costs	\$ 2,774	\$ 8,441	\$ 7,232	\$ 9,145	\$ 4,151	\$ 3,064	\$ 9,005	\$ 5,515
Amount Billed to Retail Customers	\$ 4,681	\$ 4,214	\$ 4,141	\$ 5,594	\$ 6,426	\$ 7,212	\$ 6,698	\$ 5,332
Current Month (Over)/Under-Recovery Amount	\$ (1,907)	\$ 4,227	\$ 3,091	\$ 3,551	\$ (2,275)	\$ (4,148)	\$ 2,307	\$ 183
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery - Prior Month	\$ 19,288	\$ 17,381	\$ 21,608	\$ 24,699	\$ 28,250	\$ 25,975	\$ 21,827	\$ 24,134
Cumulative (Over)/Under-Recovery	\$ 17,381	\$ 21,608	\$ 24,699	\$ 28,250	\$ 25,975	\$ 21,827	\$ 24,134	\$ 24,317

	Actual				Estimated			
	November 2019	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020
Purchase Power Agreements	\$ 33,995	\$ 15,445	\$ 11,521	\$ 44,132	\$ 88,806	\$ 88,806	\$ 105,705	\$ 88,806
Shared Solar Program	\$ 2,888	\$ 2,105	\$ 430	\$ 5,138	\$ 13,142	\$ 13,142	\$ 13,142	\$ 13,142
Total Avoided Costs	\$ 36,883	\$ 17,550	\$ 11,951	\$ 49,270	\$ 101,948	\$ 101,948	\$ 118,847	\$ 101,948
S.C. Retail kWh Sales	416,114,344	487,513,772	519,996,190	513,641,018	540,694,739	501,963,750	494,663,166	532,361,046
Total System kWh Sales Excluding Off-System Sales	4,401,332,110	5,097,124,966	5,124,599,524	4,868,332,707	4,872,881,427	4,354,211,824	4,477,357,172	5,145,288,296
S.C. Allocation Factor	9.45%	9.56%	10.15%	10.55%	11.10%	11.53%	11.05%	10.35%
S.C. Share of Avoided Costs	\$ 3,487	\$ 1,679	\$ 1,213	\$ 5,198	\$ 11,312	\$ 11,753	\$ 13,130	\$ 10,548
Amount Billed to Retail Customers	\$ 4,505	\$ 6,349	\$ 6,279	\$ 6,121	\$ 6,489	\$ 5,420	\$ 5,112	\$ 5,786
Current Month (Over)/Under-Recovery Amount	\$ (1,018)	\$ (4,670)	\$ (5,066)	\$ (923)	\$ 4,823	\$ 6,333	\$ 8,018	\$ 4,762
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery - Prior Month	\$ 24,317	\$ 23,299	\$ 18,629	\$ 13,563	\$ 12,640	\$ 17,463	\$ 23,796	\$ 31,814
Cumulative (Over)/Under-Recovery	\$ 23,299	\$ 18,629	\$ 13,563	\$ 12,640	\$ 17,463	\$ 23,796	\$ 31,814	\$ 36,576